

ASX ANNOUNCEMENT

13 August 2014

## FIELD ACTIVITIES TO COMMENCE ON THE JUNEE PROJECT, AUSTRALIA

Arc Exploration Limited (ASX Code: ARX) announce that further field activity will commence in late August on the Junee Project located in NSW, Australia.

Initial work will consist of ground surveys and prospecting of areas located above subsurface geophysical anomalies identified from 3D modelling of magnetic, chargeability and resistivity datasets acquired from historic surveys over the Dobroyde gold deposit and immediately surrounding area.

The results of this work will aid in assessing the significance of the geophysical anomalies and to confirm whether drill testing of these targets is warranted. Prospecting will also be conducted in other areas of the project that are considered prospective for gold and copper resources.

### About the Junee Project

The Junee Project comprises four contiguous Exploration Licences (EL's 6516, 6658, 6768 & 8152) covering about 87 km<sup>2</sup> that straddle part of the major regional Gilmore Fault Zone and contains rocks of the Junee-Narromine Volcanic Belt, part of the highly prospective Ordovician-Early Silurian Macquarie Volcanic Arc in the Lachlan Orogen.

Large porphyry-related gold and gold-copper deposits, such as Northparkes, Gidginbung and Cowal, occur along this fertile volcanic belt and their distribution is also spatially related to the Gilmore Fault Zone and its associated fault splays.

EL 6516 contains the 77,000-ounce *Dobroyde* gold deposit (Indicated resource estimate of 2,080,00 tonnes @ 1.15 g/t gold)(see ASX announcements of 3rd and 10th July 2013) on which historic drilling has produced some spectacular high-grade gold intercepts within a low-grade mineralization envelope (see ASX announcements of 9th October and 4th November 2013). The deposit is a high-sulphidation type epithermal gold system that occurs in structurally controlled zones of silica-sulphide alteration and cross-cutting baryte-rich breccias surrounded by clay-rich alteration zones in andesitic volcanic host rocks.

The project shows potential to increase in size through the discovery of new gold and gold-copper resources, and occurs near major mine operations and development infrastructure.

For further information please contact:

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## Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Brad Wake, BSc(Applied Geology), who is a member of the Australian Institute of Geoscientists. Mr Wake has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wake is a full time employee of Arc Exploration Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Dobroyde gold resource is extracted from the report entitled Junee and Oberon Projects - Statement of Resources created and released to the ASX on 10 July 2013. The report referred to above are available to view on the Company's website: [www.arcexploration.com.au](http://www.arcexploration.com.au) The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

